

**IRS *e-file* for Large Taxpayers
Filing Their Own
Corporate Income Tax Return**

August 31, 2005

Part I

Background Information

Purpose

All corporations are encouraged to voluntarily file their corporate Forms 1120 and 1120S income tax returns electronically. Temporary Treasury Regulation Section 301.6011-5T, issued January 11, 2005, requires corporations with assets of \$50 million or more and file at least 250 returns a year to electronically file Forms 1120 and 1120S for tax years ending on or after December 31, 2005.

The requirement will apply to corporations with assets of \$10 million or more for tax years ending on or after December 31, 2006.

The determination of whether a corporation is required to file at least 250 returns is made by aggregating all returns, regardless of type, that the entity is required to file over the calendar year, including, for example, income tax returns, returns required under section 6033, information returns, excise tax returns, and employment tax returns.

IRS developed guidance which applies to all corporations required to e-file under the temporary regulations. This guidance is published in *Tax Year 2005 Directions for Corporations Required to e-file* and is intended to assist corporations with their transition from preparing a paper return to electronic filing. Corporations required to e-file should review this document and other useful information, including Frequently Asked Questions available at www.irs.gov. Simply click on the "e-file" logo and then click on "e-file for Large and Mid-size Corporations".

The following information will help you determine how to file electronically.

Corporations with assets under \$10M must use an *Authorized IRS e-file Provider* to file their corporate income tax return electronically.

Corporations with assets of \$10M or more may either use an IRS Authorized *e-file* Provider to electronically file their corporate income tax return or electronically file their own corporate income tax return.

If you already use a paid preparer to prepare your corporate income tax return, you may want to check with your preparer to see if they are an *Authorized IRS e-file Provider*. You may also visit www.irs.gov for a list of Authorized IRS e-file Providers.

This document is written for corporations that choose to electronically file their own corporate income tax return rather than use an Authorized IRS *e-file* Provider. To become authorized by the IRS to participate in IRS *e-file* as a "Large Taxpayer," follow the instructions in this document. See Part II, Registration and Application for Large Taxpayers.

For questions concerning this requirement send an email to largecorporate@irs.gov

Overview of Modernized e-File (MeF)

The Modernized e-File (MeF) system is a new IRS electronic filing system implemented in February 2004. MeF is used to process electronic Forms 1120 and 1120S returns. IRS spent over three years on the design and development of the MeF system and to ensure the needs of taxpayers were understood, IRS created a stakeholder group comprised of accounting firms and software vendors. This stakeholder group worked closely with the IRS during all phases of design, development and implementation of MeF. Many complex issues were identified and the solutions were incorporated into the design of MeF to ensure the most complicated corporate income tax returns can be processed electronically. The project became one of the top IRS modernization projects and was placed on the new IRS architecture. Below is a brief overview of the process that may be used by corporations with assets of \$10M or more to participate in IRS *e-file* as a Large Taxpayer.

The first step for corporations making decisions about electronic filing is to discuss various electronic filing options with your software vendor. In most instances, the software currently used for tax preparation should already be enabled for electronic filing but check with your software vendor or visit IRS *e-file* for Business Providers at <http://www.irs.gov/efile/lists/0,,id=119096,00.html> for a list of software vendors approved for IRS *e-file*. Software companies must pass Assurance Testing and the electronic portion of tax preparation software must be approved by IRS.

Large Taxpayer e-file Process

Prepare and Originate Return See Note Below



- Complete IRS e-file Registration/Application
- Enter tax return data into tax preparation software approved for IRS e-file
- Sign electronic return by attaching scanned Form 8453
- Originate electronic submission of return directly to IRS or third party transmitter

Transmission to IRS



Internet Filing Application

or

Application to Application

- Large Taxpayers may transmit directly to IRS or use a third party transmitter.
- See Section VI and discuss options with your software vendor.
- After processing by MeF Acknowledgment File containing Business Rule errors ready for pick up by Transmitter.

MeF Processing



- MeF performs Business Rule Validation
- Creates Acknowledgment File (Reject or Accept)
- Accepted returns are sent for additional processing

Originate Return and Convert to XML Format

After a Large Taxpayer completes the preparation and signs their electronic return, tax preparation software will provide the necessary instructions to “originate” the electronic submission of the return and authorize the filing of the return via IRS *e-file*. During this process the electronic return data is converted into the format defined by IRS for electronic filing. A critical part of the MeF design was the decision to use XML format for transmitting electronic return data to IRS. IRS contracted with IBM to develop the XML schemas. XML schemas ensure the electronic return data transmitted to IRS meets all required specifications and allows MeF systems to process and view the electronic return data. The following is a brief explanation of how XML schemas are developed and used to send electronic return data for MeF processing:

1. Each line or data element on every IRS form is given an XML name tag.
2. Every instance of supporting data is defined and given an XML name tag.
3. These name tags are defined in XML schemas which are provided by IRS to software vendors.
4. Software vendors use the XML schemas to output the return data from tax preparation software into the specified electronic filing format.
5. Software vendors must test their tax preparation software with IRS and MeF systems to ensure it can correctly format and transmit electronic data to IRS. (See "Tax Preparation Software Must Be Approved by IRS for Electronic Filing") for a detailed explanation of software testing.
6. IRS validates transmitted XML files against the XML schemas in the MeF test and production systems.

IRS and contractors perform extensive testing to ensure the electronic return data received can be accurately processed by MeF systems. Before the contractor delivered the final MeF programs to IRS, they performed extensive testing of the XML schemas. Once IRS received the MeF programs they were tested by the Product Assurance staff. Product Assurance performed extensive testing by inserting test data into every line of every form and every instance of supporting data to ensure the data was formatted and displayed accurately by MeF systems. Product Assurance conducted over 25,000 test cases before MeF was implemented. Every time an IRS form has a change affecting the XML schema, the entire process is repeated. IRS cannot implement MeF programs until all critical defects are corrected and the system completes the Certification and Accreditation (C&A) Process

Tax Preparation Software Must be Approved by IRS for Electronic Filing

IRS requires all tax preparation software used for preparing electronic returns to pass the requirements for MeF Assurance Testing (ATS) as briefly explained below:

1. IRS issues Publication 4162, *Modernized e-File Test Package for Forms 1120/1120S* at <http://www.irs.gov/taxpros/providers/article/0,,id=97626,00.html> that includes a series of test tax returns and instructions.
2. Software vendors notify IRS they plan to test and provide a list of forms to be included in their tax preparation software. Note: IRS does not require software

vendors to support all forms. They are allowed to develop their tax preparation software based on the needs of their clients.

3. Software vendors use the IRS test tax returns to create their test returns and format in the specified XML format.
4. The software vendor transmits the XML formatted test tax returns to IRS.
5. An IRS tax examiner checks every data entry field on the return.
 - a. These checks ensure tax calculations on the test return match the answers provided by IRS on the test returns.
 - b. These checks also ensure the software correctly formats the test tax return data in XML format and the data can be successfully transmitted to, received and the tax return viewed by IRS.
6. When IRS determines the software correctly performs all required functions it is approved for electronic filing.
7. Software vendors are allowed to market their tax preparation software as approved for electronic filing to corporations and/or tax professionals after the approval from IRS is received.

NOTE: The test returns issued by IRS do not include all forms or schedules that can be part of an actual return.

Security and Transmitting Electronic Returns

Large Taxpayers may choose to transmit direct to IRS or use a third party transmitter. Transmitters will use the internet to transmit electronic return data to the IRS Modernized e-File (MeF) system. As part of MeF, IRS designed and implemented Internet Filing Application (IFA) and Application to Application (A2A) to meet the needs of registered transmitters who send large complex corporate income tax returns. The design of the IFA and A2A features Web Services-Interoperability (WS-I) security standards.

The IRS Mission Assurance and Security Services (MA&SS) organization and Modernization and System Security Engineering (M&SSE) and Privacy function ensure all IRS systems used to receive, process and store tax return data are secure. ANY AND ALL access to tax return data is protected, fully controlled, monitored, verified, and logged for analysis to detect potential abusive or malicious purposes.

OMB Circular A-130 and the Federal Information Security Management Act (FISMA) (Title III of the E-Government Act (P.L.107-347) require major applications such as MeF to undergo a Certification and Accreditation (C&A) Process.

- Certification is a formal review and test of the security safeguards implemented to determine whether the system provides adequate security that is commensurate with the risk of operating the system on the IRS information technology infrastructure.
- Accreditation is the formal authorization by the Executive Level Business Owner responsible for the operation of the MeF system and the explicit security.

Specific guidance is provided by various National Institute of Standards (NIST) special publications (the “800” series.) The process must include formal review and testing of the design and implementation of the system’s security controls. The IRS M&SSE organization and the business system owner were jointly responsible and actively involved in completing the IRS C&A Process for MeF.

IFA and A2A are hosted within the IRS’ Modernized System Infrastructure and are accessed through the Registered User Portal (RUP). Transmitters are required to use a unique user name and password in conjunction with their EFIN and ETIN data in order to log in to the RUP. Once the transmitter successfully logs into the RUP, the SSL Handshake Protocol allows the RUP and transmitter to authenticate each other and to negotiate an encryption algorithm and cryptographic keys before the first byte of return data is transmitted. This connection is private. The transmitter and the RUP negotiate a secret encryption key (Transmitter’s Browser for the Internet Filing Application (IFA) channel and the Transmitter’s Web Service Client for the Application to Application (A2A) channel for encrypted communication between the transmitter and the MeF system. This secret key is shared only between the transmitter and the RUP and is not known to any individual. The transmission is part of a secure communications protocol HTTPS/SSL. The strength of the encryption key used determines the degree of difficulty for anyone to decode the key and thereby decode the return data. IRS uses SSL 3.0 128-bit encryption for access to the RUP. The key created for each transmission is almost impossible to break since using 128-bit creates as many combinations as the number of water molecules in 2.7 million Olympic size swimming pools. The secure SSL tunnel also protects the return data from being intercepted while in transit.

MeF Processing

When an IFA transmission is complete, a GTX key is generated immediately indicating the transmission to IRS was successful. When an A2A transmission is complete, a receipt is immediately generated indicating the transmission to IRS was successful. After successful transmission, MeF validates the transmission file and the electronic return and generates an Acknowledgement File. The Acknowledgement File is the official notification that the electronic return was Accepted (no errors) or Rejected (errors identified). If the electronic return is rejected the Acknowledgment File will contain an Error Code Explanation(s) that can be used to identify and correct errors. IRS makes the Acknowledgment File available for the Transmitter to “pick up” as soon as MeF processing is completed. If you use a third party to transmit your return to IRS, the third party transmitter is responsible for retrieving the Acknowledgment File from IRS and making the file available to the Large Taxpayer.

Assurance of Data

MeF requires tax preparation software to create a “Hash” or “Check Sum” which counts each byte of electronic income tax return data and includes this total in the transmission file sent to IRS. When IRS receives the transmission file, one of the first steps of processing the electronic return is to count the bytes received. The Acknowledgment File will contain the incoming hash and the IRS computed hash along with the Total Tax and Total Income.

Benefits of IRS e-file

- **More Explicit Error Conditions** - New error code explanations pinpoint the location of the error in the return and provide complete information in the Acknowledgement File.
- **Faster acknowledgements** - Transmissions are processed upon receipt and acknowledgments are returned in near real-time. No more waiting for once or twice daily system processing cycles.
- **Integrated Payment Option - Owe Taxes?** - You can e-file a balance due return and, at the same time, authorize an electronic funds withdrawal from your bank account. Payments are subject to limitations of the Federal Tax Deposit Rules.
- When the forms listed below are included as part of the electronic Form 1120/112S return, the requirement to submit duplicate copies of the forms to the Philadelphia Submission Processing Center (PSPC) is eliminated.
 - Form 5471---*Information Return of US Persons With Respect To Certain Foreign Corporations*
 - Form 5472---*Information Return of a 25% Foreign-Owned US Corporation or a Foreign Corporation Engaged in a US Trade or Business*
 - Form 5713---*International Boycott Report*

Part II

How to Register and Apply as a Large Taxpayer

You must first register for e-services and then submit an IRS *e-file* Application as a Large Taxpayer to be authorized by IRS to electronically file your own corporate income tax return. The IRS defines a Large Taxpayer as a business or other entity with assets of \$10 million or more, or a partnership with more than 100 partners, that originates the electronic submission of its own return(s).

According to Publication 3112, *Application and Participation in IRS e-file*, you originate the electronic submission of a return by:

- Electronically sending the return to a Transmitter that will transmit the return to the IRS;
- Directly transmitting the return to the IRS; or
- Providing a return to an Intermediate Service Provider for processing prior to transmission to the IRS.

Corporations meeting the definition of Large Taxpayer must assign a “Responsible Official” who will complete the online registration and application process. The Responsible Official is not required to be a Corporate Officer or a Principal of the Firm. Only information for the Responsible Official is required to be provided during on line registration and/or application process. The “suitability checks” (discussed in Publication 3112) are only performed by IRS on applicants that prepare returns for profit. The suitability checks are not performed on either the Responsible Official, Delegated Official, Corporate Officer or Principals of the Firm since they are required to e-file their return and do not prepare returns for profit.

It is recommended that Large Taxpayers complete the online registration and application process at least 45 days before they plan to file their electronic return. As part of the online application process, the IRS will issue an Electronic Filing Identification Number (EFIN) and an Electronic Transmitter Identification Number (ETIN) to each business it authorizes as a Large Taxpayer. As a Large Taxpayer, you must use the EFIN for each return you electronically file. You must also use the ETIN for each electronic return you transmit directly to the IRS. You have an option to either transmit your return directly to the IRS or to use an IRS approved Transmitter to transmit the return to the IRS. Before applying, contact your Software vendor to decide which option and product best meet your business needs.

It is important to become familiar with the rules and requirements for participation in IRS *e-file* by reading the applicable IRS *e-file* documents. The publications and other information about IRS *e-file* and related topics, including state filing information, can be found on the IRS web site at www.irs.gov. Large Taxpayers may call IRS e-Help, toll-free at 1-866-255-0654, for assistance.

Steps for a Large Taxpayer to e-file

It is easy to become authorized by IRS as a Large Taxpayer by following the two steps described below.

Step 1 – Complete Online Registration

Registration is required to gain access to the electronic IRS *e-file* Application. Any Responsible Official(s) of the firm and Delegated User(s) who are listed on the application must register separately. During registration, each person will be required to enter the information below. The electronic registration will prompt for missing information:

- a. Name,
- b. Tax Identification Number (Social Security Number),
- c. Date of Birth,
- d. Adjusted Gross Income from current or prior year individual income tax returns.

These “shared secrets” will authenticate that person to IRS. Additionally, during the process each person will be required to select a Username, Password and PIN. For specific instructions, refer to **Exhibit 1**.

Step 2 – Application

Complete and submit the electronic IRS *e-file* Application on the IRS web site at www.irs.gov. Once completed, the IRS *e-file* Application provides basic information about the business and key people (Responsible Official and Delegated User) in the business. If needed, help is available when completing the application by clicking designated words and symbols. For additional assistance, call e-Help, toll-free at 1-866-255-0654. For complete details, refer to **Exhibit 2**.

Responsible Officials

A Responsible Official is an individual who is responsible for the corporation’s *e-file* operation. A Responsible Official may be a Principal of the Firm or Corporate Officer, or these responsibilities may be delegated at the corporation's discretion. The Responsible Official is the first point of contact with the IRS and has the authority to sign revised IRS *e-file* applications. The Responsible Official ensures that the corporation adheres to the provisions of all publications and notices governing IRS *e-file*. If one individual cannot fulfill these responsibilities, additional Responsible Officials may be identified. To add or change Responsible Officials, the IRS *e-file* Application must be revised.

Delegated Users

A Delegated User is an individual within a firm/organization, other than a Responsible Official, who is authorized to use one or more of the e-Services products. A Responsible Official appoints an individual as a Delegated User on the IRS *e-file* Application. A Delegated User should be an employee, partner, or other member of the firm/organization

or have a business relationship with the firm/organization. A Delegated User may be authorized by a Responsible Official with one or all of the following authorities:

- Viewing, updating, signing, and submitting IRS *e-file* Applications;
- Accessing e-Services incentive products (Disclosure Authorization, Electronic Account Resolution and Transcript Delivery System);
- Transmitting Forms 1120 or 1120S through the Internet (Internet Transmitter);
- Requesting a new password (Security Manager).

The actions of the Delegated User are the responsibility of the Responsible Official who appoints the individual.

It is important that Responsible Officials and/or Delegated Users and their authorities be deleted from the IRS *e-file* Application when they are no longer associated with the Large Taxpayer or when their position within the firm no longer warrants one or more authorities.

Acceptance by IRS

After the application is processed by IRS, an acceptance letter will be mailed. If you plan to transmit your returns directly to the IRS, you must complete annual Communication testing before acceptance. Refer to the Part IV for information regarding required testing.

Credentials are issued to the Large Taxpayer each year in the form of an acceptance letter and a security letter that allows participation in IRS *e-file*. The Electronic Filing Identification Number (EFIN) is included in the acceptance letter and the ETIN and password are included in the security letter. The letters are issued by IRS prior to December and addressed to the Primary Contact at the business mailing address listed on the Application.

It is not necessary to submit a new IRS *e-file* Application each year to participate in IRS *e-file*. Letters are issued annually and confirm that the Large Taxpayer may continue to participate. Acceptance letters are automatically sent out if:

- The taxpayer's mailing address is up-to-date on IRS *e-file* Application records;
- The taxpayer transmitted at least one e-file return that was acknowledged as accepted for the previous or the current year.

If all of the above conditions have been met, but a letter has not been received by mid-December, contact e-Help, toll-free at 1-866-255-0654, to check the status.

Reporting Changes

A Responsible Official or a Delegated User authorized to revise an IRS *e-file* Application should ensure that the IRS has current information. All required changes can be made by updating your IRS *e-file* Application at: <http://www.irs.gov/efile/article/0,,id=98246,00.html>.

The Application must be revised within thirty days of a change of any information on the current application. This is important for several reasons. If the IRS does not have current addresses, important letters, credentials, publications, or other materials may not be received. If any of these items are returned to the IRS indicating that the address has changed, the Large Taxpayer will be temporarily removed from participation in IRS *e-file*. This means that all returns submitted after that time will be rejected until the address information is updated. The same is true for telephone numbers. If the IRS tries to call a number that has changed or has been disconnected, the Large Taxpayer will be temporarily removed from participation in IRS *e-file* until new telephone numbers are provided.

Note: Changes submitted on an IRS *e-file* Application will not update the address of record for tax return records nor will a change to tax return records automatically update information associated with your EFIN.

The Large Taxpayer should notify the IRS within thirty days to discontinue participation in IRS *e-file*. The easiest way is to use the “Close Office” feature on the IRS *e-file* Application on the IRS web site. E-file identification numbers (EFINs) or passwords may not be sold or transferred.

Other Information

Large Taxpayers must adhere to all applicable IRS *e-file* rules and requirements regardless of where published. The list below, while not all-inclusive, applies to Large Taxpayers:

- Ensure against the unauthorized use of its EFIN and/or ETIN;
- Notify the IRS of changes, as described in this document, in a timely manner; and
- Cooperate with the IRS’ efforts to monitor electronic filing fraud and abuse.

Part III

General Information For Preparation and Origination Of Corporate Electronic Returns

This section provides general information for Large Taxpayers to use for preparation and origination of the electronic submission of MeF returns. This information should be used in conjunction with Publication 4163, *Modernized e-File Information for Authorized IRS e-file Providers of Forms 1120/1120S*, for specific information.

Returns Filed Through Modernized e-File

A “return” filed through *Modernized e-File* is composed of electronically transmitted data. If a taxpayer is required to file a document that requires an original signature, proposed regulations (REG-116664-01) eliminate the obligation to mail the *original* document to the IRS. Instead, the original document should be scanned into PDF and transmitted with the return. The original paper documents must be retained by the corporation. More information on the temporary regulations can be found at this link http://www.irs.gov/irb/2004-03_IRB/ar07.html#d0e286

Return Preparation for Electronic Returns

Electronic filing may change some of the internal processes corporations currently use to prepare their paper corporate income tax return which is mailed to IRS. Tax preparation software approved for electronic filing will provide specific instructions for corporations to use in preparation of an electronic return but corporations should be aware and prepare in advance for the following MeF requirements that may impact return preparation.

Return Preparation for Electronic Consolidated Returns

When taxpayers prepare paper consolidated corporate income tax returns, spreadsheets are commonly used to report the required data for each subsidiary. Such spreadsheets also are used to report subsidiary data on Form 1120, other attached IRS forms such as Form 4562, and for supporting data (other income statement). These spreadsheets are attached to the parent return and mailed to IRS.

MeF requires tax preparation software approved for electronic filing to use IRS forms for reporting data for each subsidiary return. In addition to the parent return, tax preparation software approved for electronic filing should allow taxpayers to create a separate “stacked return” for each subsidiary. Tax preparation software should allow taxpayers to report Eliminations and Adjustments as a separate “stacked return”. Tax preparation software may also allow taxpayers to use spreadsheets for the internal review of the return, but IRS requires all subsidiary data to be formatted, transmitted and viewed by IRS as “stacked returns”.

Supporting Data Required by Form or Form Instructions

Taxpayers use tax preparation software to prepare most of their paper corporate income tax return but may use other formats (Word, Excel, etc) to prepare supporting data. The documents containing supporting data are then attached to the portion of the return prepared by tax preparation software and mailed to IRS.

MeF requires all supporting data to be included in tax preparation software. IRS reviewed all of the forms (and instructions) that may be attached to Form 1120 and/or 1120S and identified every instance where taxpayers are required to attach supporting data. IRS provided structured formats to software vendors for every instance. Software vendors are required to use these formats for developing tax preparation software approved by IRS for electronic filing. In some instances, taxpayers are allowed to enter supporting data as PDF files but only in situations where IRS has not defined a format. It is the responsibility of software vendors to provide appropriate instructions for taxpayers to enter supporting data to meet the IRS guidelines. Most software vendors will allow taxpayers to import/export data from other sources. Taxpayers are encouraged to discuss available options with their software vendor early to determine how to prepare supporting data. The examples on the following pages will assist taxpayers in understanding how to prepare supporting data for electronic returns.

Example 1 – Supporting data required by IRS forms.

IRS issued specific formats that software vendors must use for this type of supporting data. In the example below, taxpayers must include (either by entering or importing) data for the required “type” and “amount of income” as indicated in tax preparation software instructions.

Form 1120		U.S. Corporation Income Tax Return		OMB No. 1545-0123		
Department of the Treasury Internal Revenue Service		For calendar year 2004 or tax year beginning, 2004, ending, 20		2004		
▶ See separate instructions.						
A Check if:		B Employer identification number				
1 Consolidated return (attach Form 991) <input type="checkbox"/>		Name				
2 Personal holding co. (attach Sch. PH) <input type="checkbox"/>		Number, street, and room or suite no. If a P.O. box, see page 9 of instructions.				
3 Personal service corp. (see instructions) <input type="checkbox"/>		City or town, estate, and ZIP code				
4 Schedule M-3 required (attach Sch. M-3) <input type="checkbox"/>		D Total assets (see page 8 of instructions)				
				\$		
E Check if: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change						
Income	1a	Gross receipts or sales	b Less returns and allowances	c Bal ▶	1c	
	2	Cost of goods sold (Schedule A, line 8)			2	
	3	Gross profit. Subtract line 2 from line 1c			3	
	4	Dividends (Schedule C, line 19)			4	
	5	Interest			5	
	6	Gross rents			6	
	7	Gross royalties			7	
	8	Capital gain net income (attach Schedule D (Form 1120))			8	
	9	Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)			9	
	10	Other income (see page 11 of instructions—attach schedule)			10	
	11	Total income. Add lines 3 through 10			11	

From Instructions
Line 10 Other Income
Enter any other taxable income not reported on lines 1 through 9. List The “**type**” and “**amount of Income**” on an attached schedule.

Example 2 - Supporting Data required by IRS form instructions.

IRS issued specific formats that tax preparation software must use for supporting data required by form instructions. In the example below, taxpayers must include (either by entering or importing) required data for “description of property” and “depreciation method” as indicated by tax preparation software instructions.

Form 4562 <small>Department of the Treasury Internal Revenue Service</small>	Depreciation and Amortization (Including Information on Listed Property) <small>▶ See separate instructions. ▶ Attach to your tax return.</small>	<small>OMB No. 1545-0172</small> 2004 <small>Attachment Sequence No. 67</small>
<small>Name(s) shown on return</small>	<small>Business or activity to which this form relates</small>	<small>Identifying number</small>

Part I **Election To Expense Certain Property Under Section 179**
Note: If you have any listed property, complete Part V before you complete Part I.

Part II **Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see page 3 of the instructions)	14
15 Property subject to section 168(f)(1) election (see page 4 of the instructions)	15
16 Other depreciation (including ACRS) (see page 4 of the instructions)	16

Part III **MACRS Depreciation (Do not include listed property.) (See page 5 of the instructions.)**

Section A

Page 4, Form 4562 Instructions for line 15 states:

Attach a separate sheet showing:

- A description of the property and the depreciation method you elect that excludes the property from MACRS or the Accelerated Cost Recovery System (ACRS) and

Example 3 – Supporting Data required as another IRS form.

In the following example, form instructions require the taxpayer to attach another IRS form or statement as supporting data. Line 2(a) and 2(b) require supporting data to be provided using an IRS form; failure to use the required IRS form will cause electronic return to reject. Line 2(c) requires supporting data to be provided using an attached statement; taxpayers should always provide the supporting data.

Form 6198 <small>Department of the Treasury Internal Revenue Service</small>	At-Risk Limitations ▶ Attach to your tax return. ▶ See separate instructions.	<small>OMB No. 1545-0712</small> 2004 <small>Attachment Sequence No. 31</small>
<small>Name(s) shown on return</small>		<small>Identifying number</small>
<small>Description of activity (see page 2 of the instructions)</small>		
Part I Current Year Profit (Loss) From the Activity, Including Prior Year Nondeductible Amounts <small>(see page 2 of the instructions).</small>		
1 Ordinary income (loss) from the activity (see page 2 of the instructions)	1	
2 Gain (loss) from the sale or other disposition of assets used in the activity (or of your interest in the activity) that you are reporting on:	2a	
a Schedule D	2b	
b Form 4797	2c	
c Other form or schedule		

Lines 2a, 2b, and 2c

Gain (Loss)

Combine long- and short-term capital gains and losses and ordinary gains and losses from the sale or other disposition of assets used in the activity or of your interest in the activity. Enter gains and losses without regard to the at-risk limitations, the limitation on capital losses, or the passive activity loss limitations. If more than one item is included on a line, attach a statement describing each item.

When required data exceeds number of lines provided on IRS forms, tax preparation software will allow the taxpayer to continue to enter all necessary data instead of creating an attachment. When the electronic data is transmitted and processed the data will be displayed as “repeating data” by MeF systems.

Taxpayer data exceeds the number of lines provided on IRS forms

Special Instructions for Supporting Data Required by Form 8865

In many instances information on schedules attached to Form 1065 will be the same schedules required to be filed with Form 8865, *Return of US Person with Respect to Certain Foreign Partnerships*. If a taxpayer has already prepared Form 1065 and has completed Schedules B, D, K, K1, L, M-1, M-2, do **NOT** attach the Form 1065 schedules to the return, instead copy the data from the Form 1065 schedules to the corresponding Form 8865 schedules.

Elections or Disclosure Statements Required by IRS Publication or Regulation

When taxpayers prepare paper corporate income tax returns they may not use tax preparation software to prepare the disclosure statements and/or elections required by Treasury Regulations or various IRS Publications. Taxpayers often use a variety of methods (Word, Excel, Election programs) to prepare the numerous disclosure statements and/or elections based on the unique needs of the particular return.

MeF requires all disclosure statements and elections to be included in tax preparation software. IRS provided structured formats that software vendors are required to use for tax preparation software approved for election filing. Temporary Treasury Regulation 9100 eliminates the requirement for a separate signature for certain elections and/or disclosure statements. See T. D. 9100 for a complete list.

Preparing Disclosure Statements and/or Elections Using General Dependency Election Record

Taxpayers will use a General Dependency Election record to report most of their disclosure statements and elections. Tax preparation software approved for elections filing should provide instructions for taxpayers to complete the General Dependency Election. This record allows taxpayers to identify the disclosure statement/election using the following data elements:

- Form Line or Instructions Reference (optional)
- Regulation Reference (optional)
- Description (optional)
- Attachment Information (optional)

Below are examples that should assist taxpayers in planning for their disclosure statements and elections as part of an electronic return.

Example 1 – General Election Statement

Section XXXX	Election for XXXXX
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AA
AA
AAAAAA

Example 2 – General Dependency with Multiple Subsidiaries.

Form XXXX	Election for XXXXX
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[illegible]

Subsidiary # 1
Subsidiary # 2
Subsidiary # 3

Preparing Disclosure Statements and/or Elections with Specific Formats

IRS provided specific XML formats for certain elections that must be used by software vendors for developing tax preparation software approved for electronic filing. Tax preparation software will provide instructions on these elections.

Preparing Disclosure Statements and/or Elections with Supporting Data

Some disclosure statements and/or elections may require supporting data which cannot be entered into the specified formats (Plans of Merger, Plans of Reorganization, meeting notes, etc). This type of supporting data may be scanned and attached to the electronic return as a PDF file. The actual disclosure statement and/or election must be entered into the required format and only the supporting data submitted as PDF.

Forms Attached to 1120/1120S with Separate Signatures

Many forms that may be attached to Form 1120 and 1120S have separate signature lines. During the development of MeF IRS identified all of the forms with separate signature lines and requested IRS Counsel to issue special instructions to facilitate electronic filing. Regulation T.D. 9100 contains amendments to the Income Tax Regulations (26 CFR Part 1) and Procedure and Administration Regulations (26 CFR part 301) and eliminates some of regulatory requirements considered impediments to the electronic submission of tax returns and other forms filed by corporations, partnerships and other businesses with regard to third party signature requirements. These regulations impeded electronic filing by 1) requiring taxpayers to include third party signatures on their tax returns; 2) requiring taxpayers to attach documents or statements generated by third parties; or 3) requiring a taxpayer to sign an IRS form and file it as an attachment to their income tax return. T.D. 9100 eliminates the impediments for taxable years beginning after December 31, 2002. The regulations generally affect taxpayers who are required to file any of the following forms: 926, 973, 982, 1120, 1120S, 1122, 5471, 5712-A, 8832. See T.D 9100 for a complete list.

Special Instructions for Form 8838

The signature on Form 1120 extends to all accompanying statements and schedules with the exception of Form 8838, *Consent to Extend the Time to Assess Tax Under Section 367 – Gain Recognition Agreement*. A signed copy of Form 8838 may be submitted as PDF file attached to the electronic Form 1120/1120S.

Be Careful With Addresses

The address on the first page of the electronic return, once processed by the IRS, will be used to update the taxpayer's address-of-record. The IRS uses a taxpayer's address-of-record for various notices that are required to be sent to a taxpayer's "last known address" under the Internal Revenue Code and for refunds of overpayments of tax (unless otherwise specifically directed by taxpayers, such as by Direct Deposit).

Foreign Address

Corporate income tax returns with a foreign address in the entity portion of the Form 1120/120S may be filed electronically.

There will be instances in the preparation of the tax returns, forms or attachments when a two character Foreign Country Code is required. This code should always be the code of the Foreign Country or Foreign Sovereignty as recognized by the US State Department. For example; Scotland, Wales, and England are part of the foreign country United Kingdom. The Foreign Country Code for United Kingdom is UK. The Balearic Islands are a part of Spain and should be coded as Spain, "SP". These are just a few examples. When entering foreign addresses on the return or form, the state or republic (such as Scotland or England) can be entered with the city; "London, England" and the country as "United Kingdom" or "UK". Refer to Publication 4163, Exhibit 4, for additional Foreign Country Code information.

Address Changes

Domestic Address

Forms 1120/1120S MeF will accept all domestic address changes as shown by the corporation in the entity portion of the tax return. IRS will update the corporation's entity information with the change of address.

Foreign Address

Forms 1120/1120S MeF will not accept changes to foreign addresses. Corporations must submit Form 8822, Change of Address, to IRS to update or change a foreign address. Form 8822 can be downloaded through the IRS web site, www.irs.gov.

Standard Street Address Abbreviations

Standard Street Address Abbreviations are included in Publication 4163, Exhibit 5. The list is comprised of common abbreviations that are recognized by the U.S. Postal Service.

Valid ZIP Codes

See Publication 4163, Exhibit 6 for a complete list of valid ZIP Codes.

Business Name Controls and NAICS Codes

The Name Control for corporations should be determined from the information specified on the first name line. Generally, the Name Control is derived from the first four characters of the corporation name and consists of up to four alpha and/or numeric characters. See Publication 4163, Exhibit 1 for a complete list of rules for creating Business Name Control and examples.

A principal business activity and the associated code are designed to classify an enterprise by the type of activity in which it is engaged to facilitate the administration of the Internal Revenue Code. These principal business activity codes are based on the North American Industry Classification System (NAICS). Publication 4163 provides a list of valid codes for Principal Business Activity Codes (NAICS Codes).

If after reading this section additional assistance is needed, contact the e-Help Desk at 1-866-255-0654 (Prompt 1, 2, 5).

Refund Returns

When taxpayers are entitled to refunds, they have several options. A corporate income tax refund may be applied to next year's estimated tax; received as a Direct Deposit or paper check; or be split so that a portion is applied to next year's estimated tax and the rest received as Direct Deposit or paper check.

Election of the Direct Deposit option is the fastest way of receiving refunds. IRS will accept a Direct Deposit election to any eligible financial institution designated by the taxpayer. Refunds may be designated for Direct Deposit to qualified accounts in the taxpayer's name. Qualified accounts include savings, checking, share draft, or consumer asset accounts (for example, IRA or money market accounts). Refunds may not be designated for Direct Deposit to credit card accounts. Qualified accounts must be held by financial institutions within the United States. Qualifying institutions may be national banks, state banks (including the District of Columbia and political sub-divisions of the 50 states), savings and loan associations, mutual savings banks, and credit unions.

Check or share draft accounts that are "payable through" another institution may not accept Direct Deposits. Taxpayers should verify their financial institution's Direct Deposit policy before electing the Direct Deposit option.

If choosing Direct Deposit, account numbers and routing numbers for qualified accounts must be provided. This information is best obtained from official financial institution records, account cards, checks or share drafts that contain the taxpayer's name and address.

A Direct Deposit election cannot be rescinded and changes cannot be made to routing numbers of financial institutions or to the taxpayer's account numbers after IRS has accepted the return.

Refunds that are not Direct Deposited because of institutional refusal, erroneous account or routing numbers, closed accounts, bank mergers, or any other reason will be issued as paper checks, resulting in refund delays of up to ten weeks. While the IRS will ordinarily process a request for Direct Deposit, it reserves the right to issue a paper check and does not guarantee a specific date by which the refund will be deposited into the taxpayer's account. Neither the IRS nor Financial Management Service (FMS), Department of Treasury, is responsible for the misapplication of a Direct Deposit that is caused by error, negligence, or malfeasance on the part of the taxpayer, financial institution, or any of their agents.

Balance Due Returns

If additional tax is owed, the taxpayer must pay the balance due by the original due date of the return or be subject to interest and penalties. An extension of time to file may be filed electronically by the original return due date, but it is an extension of time to file the return, not an extension of time to pay a balance due. Taxpayers have several choices when paying any taxes owed on their returns as well as estimated tax payments.

Electronic Funds Withdrawal

You can e-file and, at the same time, authorize an electronic funds withdrawal. Those who choose this option must provide account numbers and routing transit numbers for qualified savings, checking or share draft accounts. This information is best obtained from official financial institution records, account cards, checks or share drafts that contain the taxpayer's name and address. Ensure, before you e-file, that your financial institution allows electronic funds withdrawal requests from the designated account. Payments cannot be authorized for this purpose from some credit union share accounts.

Payments can be scheduled for a future date. Scheduled payments must be effective on or before the return due date. For example, a corporation can transmit its income tax return in February and at the same time specify that the payment withdrawal be made on any day on or before the return due date. For returns transmitted after the due date, the payment date must be the same as the date the return is transmitted. Electronic Funds Withdrawal payments must be authorized at the time the balance due return or extension is e-filed.

The following information must be provided:

- Routing Transit Number (RTN);
- Bank account number;
- Type of account (checking or savings);
- Payment amount
- Date of scheduled electronic funds withdrawal; and
- Taxpayer's daytime phone number.

Credit Card Payments

The IRS has a policy which allows business e-filers to pay their balance due by credit card. This is a unique opportunity for the tax preparation software industry to incorporate a credit card tax payment option in the Forms 1120 and 1120S software. If interested in paying with a credit card, please contact your software vendor regarding development of this feature. The credit card payment feature is available only as a part of the 1120/1120S software.

Electronic Federal Tax Payment System (EFTPS)

Balances due and estimated taxes can be paid year round using the Electronic Federal Tax Payment System (EFTPS). Taxpayers enroll in EFTPS-On-Line via an official government site on the Internet, using a user-friendly Web interface. After enrollment, the taxpayer receives a confirmation package by mail with instructions. For more information on electronic deposit options, visit www.irs.gov/efile and click on "Electronic Federal Tax Payment System".

Pay by Check

Balance due payments may be made by mailing a check. Payments do not have to be mailed at the same time an electronic return is transmitted. For example, the return may be transmitted in January and the payment and voucher mailed at any time on or before the return due date.

Avoiding Refund Delays

You can avoid refund delays by having all of your taxes and obligations paid, providing current and correct information to the IRS, ensuring that all bank account information is up-to-date and carefully checking your tax return information before signing the return.

Suggestions to avoid rejects and refund delays:

- Exercise care in the entry of tax return data into tax return preparation software and carefully check the tax return information before signing the tax return;
- If there were problems with last year's return, see if the conditions that caused the problems have been corrected or can be avoided this year.

Signing an Electronic Return

As with any corporate income tax return submitted to the IRS on paper, an electronic corporate income tax return must be signed by an authorized corporate officer and the paid preparer, if applicable. The corporation (taxpayer) must designate a principal of the firm responsible for signing the corporate income tax return following the procedures outlined in Treasury Regulation Section 1.6062-1. The corporate officer must sign and date the "Declaration of Taxpayer" (Form 8453-C or Form 8453-S) to authorize the origination of the

electronic submission of the return to the IRS prior to the transmission of the return. The Declaration of Taxpayer includes the taxpayer's declaration under penalties of perjury that the return is true, correct and complete. If a third party is used to transmit the return, the Form 8453 also gives the taxpayer's consent to have the IRS send your Transmitter an acknowledgement indicating whether or not the return was accepted and, if rejected, the reason(s) for the rejection.

If the electronic return data on a corporate income tax return is changed after the Declaration of Taxpayer is signed, you must sign a new declaration if the "Total Income" amount differs by more than \$150 or the "Taxable Income" amount differs by more than \$100.

If you use a Paid Preparer to review and sign the return, then the paid preparer must also sign the Form 8453-C/S. The Paid Preparer must check the box in the "Paid Preparer's Use Only" section. Paid Preparers do not have to disclose their SSN or EIN on the copies they supply to taxpayers.

Tax preparation software approved for electronic filing should include Forms 8453-C or 8453-S which must be completed and signed by all required parties. These documents will then be scanned into a PDF document and attached to the electronic return. IRS approved MeF software will provide instructions for including the scanned document with your electronic tax return.

Submitting a Timely Filed Electronic Tax Return

All prescribed due dates for filing paper income tax returns apply to electronic returns. You must ensure that the electronic portion of the return is transmitted on or before the due date (including extensions). An electronically filed return is not considered filed until the electronic portion of the tax return has been acknowledged by the IRS, accepted for processing, and a signature for the return has been received. If the corporation chooses to file a hybrid return using the IRS "Tax Year 2005 Directions for Required Corporations to e-file" and the electronic portion is successfully transmitted on or shortly before the due date and you comply with the requirements for signing the return, the return will be considered timely filed.

If you use a third party transmitter they have the option to enter a "Postmark Date" created from the IP time and address where the electronic return was originated.

Transmission Perfection Period

If a corporate electronic income tax return is transmitted on or shortly before the due date (or extended due date) and is rejected for any reason, the return can be retransmitted and considered timely filed if it is accepted within 20 calendar days after the original transmission.

If the electronic return cannot be accepted for processing electronically because the reason for the rejections cannot be corrected to comply with electronic filing requirements, then the corporation must file a paper return. To be considered timely filed, the paper return must be

postmarked by the later of the due date of the return or 25 calendar days after the original transmission. The paper return should include an explanation of why the paper return is being filed after the due date, and include a copy of the reject notification and brief history of actions taken to correct the electronic return. **NOTE: Corporations required to e-file under Temporary Treasury Regulation Section 301.6011.5T must contact the e-Help Desk at 1-866-255-0654 for assistance in correcting returns BEFORE filing a paper return.**

Record Keeping and Documentation Requirements

You must retain the information listed below until the end of the calendar year in which the calendar year return was filed or nine months after a fiscal year return was filed. You may retain the required records at the business address of the Responsible Official so that records can be made available to the IRS upon request.

- A complete copy of the electronic portion of the return that can be readily and accurately converted into an electronic transmission that the IRS can process; and
- The acknowledgement file for IRS accepted returns.

You may electronically image and store all paper records that you are required to retain for IRS *e-file*. This includes signed signature documents (Form 8453C/S) as well as any supporting documents not included in the electronic record and all signature documents. The storage system must satisfy the requirements of Revenue Procedure 97-22, *Retention of Books and Records*. In brief, the electronic storage system must ensure an accurate and complete transfer of the hard copy to the electronic storage media. All records must be able to be reproduced with a high degree of legibility and readability (including the taxpayers' signatures) when displayed on a video terminal and when reproduced in hard copy.

NOTE: It is not required, but Large Taxpayers may also retain a copy of the electronic return data after it is formatted into XML and before it is transmitted to IRS or a third party transmitter. In the unlikely event there is a dispute concerning electronic data displayed by MeF systems this file could be used as proof of the data as originally transmitted. Both IRS and the transmitter are required to retain a separate copy of the electronic return in the original format.

Part IV

Procedures for Large Taxpayer Who Transmit Directly to IRS

This section provides general information for Large Taxpayers who transmit electronic returns directly to IRS. This information should be used in conjunction with sections of Publication 4164, *Modernized e-File Guide for Software Developers and Transmitters*, which provides specific information.

What is a Transmitter?

A Transmitter transmits electronic tax return information directly to the IRS. The IRS accepts transmissions using a variety of telecommunication protocols. In order to transmit electronic return data directly to the IRS, Transmitters must be equipped with both computer hardware and software that make it possible. Testing that ensures the compatibility of your transmission systems with the IRS systems must be completed to enable transmission of the electronic return data to the IRS. Check with your software vendor if you are interested in transmitting directly to IRS. You must have an EFIN, an ETIN and a password.

Publication 4164 contains specific information necessary for transmitting returns and correcting errors.

- **Transmission Methods for MeF (Section 3)**
 - Transmitting through MeF Internet Filing (Section 3.2.2 through 3.2.5)
 - Application to Application will be added
- **Validating the Transmission and Return Data (Section 4)**
 - Business Rules (Section 4.1 and list of business rules)
 - Validating Transmission File (Section 4.2)
 - Validating Tax Returns (Section 4.3)
- **Acknowledgement Files (Section 5)**
 - Generating Acknowledgement Files (Section 5.1)
 - Retrieving the Acknowledgement File from EMS (Section 5.2)
 - Retrieving the Acknowledgement through the Internet (Section 5.3)
 - Restoring an Acknowledgement (Section 5.4)
 - Restoring an Acknowledgement (Section 5.4)

Communication Testing

Communication Testing is a requirement for a Large Taxpayer planning to transmit electronic returns directly to the IRS. Most software packages (IRS accepted e-file software) have communication tests built in so that completing this requirement is relatively easy. Follow the directions in the software or documentation package. If you have problems, you should contact the software vendor who sold you the software or contact the technical support operation that comes with the software package.

The test status of each form transmitted to the IRS can be viewed by accessing the firm's IRS *e-file* Application and clicking on the "FORMS" link. The form/format previously selected on your IRS *e-file* Application will be displayed in a table along with the status. The status is updated from "test" to "production" when required communication testing is completed.

For more information regarding Communication Testing, refer to Publication 4162, *Modernized e-File Test Package for Forms 1120/1120S*, pages 3 through 7.

Part V

Other Support For Large Taxpayers

The IRS issues various publications that contain the requirements for participating in IRS *e-file*. Large Taxpayers should read the applicable sections of the publications depending on your business needs.

Modernized e-File Publications

The following Modernized e-File publications can be found on the IRS web site at <http://www.irs.gov/taxpros/providers/article/0,,id=97626,00.html>

- **Publication 4162, *Modernized e-File Test Package for Forms 1120/1120S***
- **Publication 4163, *Modernized e-File Information for Authorized IRS e-file Providers of Forms 1120/1120S***
- **Publication 4164, *Modernized e-File Guide for Software Developers and Transmitters***

Other Resources for Obtaining Information

Web sites - Corporations required to e-file should review the following documents and other useful information available at www.irs.gov.e-file. Click on the “e-file” logo then click on “e-file for Large and Mid-size Corporations” web page.

- Frequently Asked Questions (FAQs)
- Tax Year 2005 Directions for Corporations Required to e-file

IRS also provides e-mail addresses where interested parties can submit questions concerning corporate e-file and requirements.

- Corporate taxpayers (Forms 1120, 1120S) may email questions to: largecorporate@irs.gov
- Software vendors may email questions to: 1120@irs.gov

Quick Alerts – Quick Alerts provide up to the minute e-file information. It is the IRS’ latest “push” technology messaging system. Users choose the method in which they wish to receive messages, either by phone, fax, or e-mail. The messages advise of problems that may interrupt processing or acknowledgement of electronically filed returns, tax law or publication changes affecting e-file, and IRS *e-file* conferences.

Exhibit 1 – Registration Procedures


How to Complete the Registration Page

[Registration Services Menu](#) > Registration

Registration

Please enter the following information to register for using e-services.
For help, select the **Help** link and information will be provided in a "help" window.


IMPORTANT: Please print a copy for your records **before** you submit your entries for processing.

*First Name (Required):	<input type="text"/>
Middle Initial:	<input type="text"/>
*Last Name (Required):	<input type="text"/>
Name Suffix:	<input type="text"/> 
*Tax Identification Number (Required):	<input type="text"/>
*Date of Birth (Required):	<input type="text"/> (MM/DD/YYYY)
Phone:	<input type="text"/> (3 digit area code followed by 7 digit number, i.e. 8005551111)
Phone Country Code:	<input type="text" value="001"/> (Enter 001 for US)
Email Address:	<input type="text"/>

1. Type your First Name.
2. Type your Last Name.
3. Select your Name Suffix from the drop-down list.
4. Type your Tax Identification Number (TIN) or SSN.
5. Type your Date of Birth.

Please provide your **Adjusted Gross Income (AGI)** from your most recent individual income tax return, Form 1040, 1040A, etc. Your AGI amount must agree with what was submitted on your original return prior to any amendment you may have made or any IRS adjustments. We suggest using your AGI from the prior year if your most recent return was filed within the last 4 to 6 weeks. If you filed last year's tax return after November 1, please use your AGI of the prior year tax return.

Choose one of the available tax years and enter your AGI.

*Tax Year Ending Dec 31 (Required):	<input type="text"/> 
*AGI (Required):	<input type="text"/> Whole dollars only

6. Select the Tax Year that matches with the year you filed your most recent tax return.
7. Type your Adjusted Gross Income from your tax return for the year selected above.

Please select your preferred Username, Password and Personal Identification Number (PIN).
(You must type password and PIN twice)

Rules governing the creation of the Username, Password, and PIN have been created to further enhance the security of e-services. The most commonly encountered rules are identified below. **Select this link to see the full set of password and PIN rules.**

*Username (Required):

Username must be at least 8 characters long may contain letters and numbers only, case insensitive (read as upper-case only).

*Password (Required):

Password must be at least 8 characters long must contain both letters and numbers, case sensitive, cannot be the same as the username.

*Re-Enter Password (Required):

*PIN (Required):

PIN must be 5 digits only, cannot be all the same digits.

*Re-Enter PIN (Required):

Please select one question to be answered by you if you forget your username and you attempt to re-register with IRS. The question and answer should be unlikely to be known by other individuals. For example, do not select your street where you currently live or the car you own today.

*Question to Recover Username (Required):

*Answer (Required):

8. Create a Username.

- The username must be at least 8 and no more than 10 characters long
- The username can contain letters and numbers only (no symbols)
- The username is NOT case-sensitive

9. Create a Password.

- The password must be at least 8 characters long and must contain both letters and numbers
- The password is case-sensitive
- The password cannot contain strings of the same three characters (e.g. "333")
- The password cannot contain part of the user's SSN, Last Name, or First Name
- The password cannot be the same as your Username

10. Create a Personal Identification Number (PIN).

- The PIN must be 5 digits long
- The PIN cannot be composed of only one number (e.g. "22222")

11. Select a Question to Recover Username.

12. Type an Answer to the Questions to Recover Username.

The last address you provided the IRS on your individual tax return, Form 1040, 1040A, etc. or Change of Address, Form 8822, will be used to send you a registration confirmation number. You must provide us with your new **home** address if it has since changed. Upon confirmation of your registration, we will update your taxpayer home address under your SSN only. If you last filed as a secondary taxpayer on a joint return, we will not update the address information under the primary SSN on the account.

Has your taxpayer address changed as explained above? Yes ☐ No ☐

If yes, you must enter your new address in the fields below. If no, proceed to terms and conditions.

Warning! Completing these fields will change your address of record with the IRS.

Address	<input type="text"/>
Line:	
City:	<input type="text"/>
State	
(USA	<input type="text"/>
Only):	
Zip Code:	<input type="text"/>
Country:	<input type="text"/>

13. Select "Yes" if your home address has changed since confirmation of your registration, or enter your new address in the address fields.
14. Once all information has been entered correctly, please read the Terms of Condition and then click the Accept button.
15. The information is processed and a confirmation code is generated. The confirmation code will be mailed to you.

Warning: After three unsuccessful attempts to Register, the user will be locked out of the system. If this happens, you should call 1-866-255-0654 and follow the prompt for e-Services.

Exhibit 2– Electronic IRS e-file Application Procedures

The following walks applicants through part of the IRS *e-file* Application for a Large Corporate Taxpayer giving specific instructions for several of the screens. The information requested on the other screens on the IRS *e-file* Application is self-explanatory. You should read the information on each screen and complete the information requested with your firm's information. Pay close attention to "required" fields.

If you have any questions or need any assistance while you are completing the IRS *e-file* Application, you can call the e-Help Desk at 1-866-255-0654.

The screenshot shows the IRS e-file application interface. The browser address bar displays <https://la.www4.irs.gov/servlet>. The page header includes the Internal Revenue Service logo and the text "e-services". A navigation bar contains links: Home, e-services, On-line Tutorials, Help, Mailbox, and Sign Out. The breadcrumb trail reads: e-services > e-services > Application > APP Menu > e-file Application.

e-file Application: Firm/Organization Business Type

Thank you for visiting our new on-line e-file application site where you will be able to complete a new "Application to participate in the IRS e-file Program". This is the Form 8633 on-line application process. The application process will ask you for information regarding your Firm/Organization and personal information including Social Security Number, Date of Birth, U.S. Citizenship and Home Address with regard to each of the Principals and Responsible Officials you will be adding to your application. You will also need to know the Social Security Number of all Delegated Users. **The IRS will compare the information in the "Required Fields" with information received from the Social Security Administration and the tax return information you previously filed.**

You will have the opportunity to save your application, if you do not have all the information required, and will be able to come back and revise the application with your information. Once you have input all the required information, you will be allowed to submit the application for review by the Internal Revenue Service (IRS). The IRS will process your application and send you a notification as to the results.

The time it takes to fill out the application can vary by organization and will usually take between 20-45 minutes.

'Business Type (Required):'

'Does your firm have an Employer Identification Number (EIN)? (Required)'

When you have finished Firm/Organization Business Type.

- Select **Next** to go to the Firm/Organization Information page.
- Select **Cancel** to exit the application or return to the application menu page.

Business Type (Required):

- Corporation
- Credit Union
- Federal Government Agency
- Limited Liability Company
- Limited Liability Partnership
- Local Government Agency
- Partnership
- Personal Service Corporation
- Sole-Proprietorship
- State Government Agency
- Volunteer Organization

Next **Cancel**

Select "Corporation" as your "Business Type".

[e-services Privacy Policy](#)

https://la.www4.irs.gov/servlets/clientservlet/CRMPROD/?cmd=start& - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Search Favorites Media

Address https://la.www4.irs.gov/servlets/clientservlet/CRMPROD/?cmd=start&

Search X

Internal Revenue Service
DEPARTMENT OF THE TREASURY e-services

Home e-services On-line Tutorials Help Mailbox Sign Out

e-services > e-services > Application > APP Menu > e-file Application

e-file Application: Firm/Organization Business Type

Thank you for visiting our new on-line e-file application site where you will be able to complete the e-file Program. This is the Form 8633 on-line application process. The application process requires you to provide your Firm/Organization and personal information including Social Security Number, Date of Birth, and other information. The IRS will compare the information in the Social Security Administration and the tax return information you previously filed.

You will have the opportunity to save your application, if you do not have all the information required to complete the application. Once you have input all the required information, you will be able to review the application for review by the Internal Revenue Service (IRS). The IRS will process your application.

The time it takes to fill out the application can vary by organization and will usually take about 15 minutes.

'Business Type (Required):'

'Does your firm have an Employer Identification Number(EIN)? (Required)'

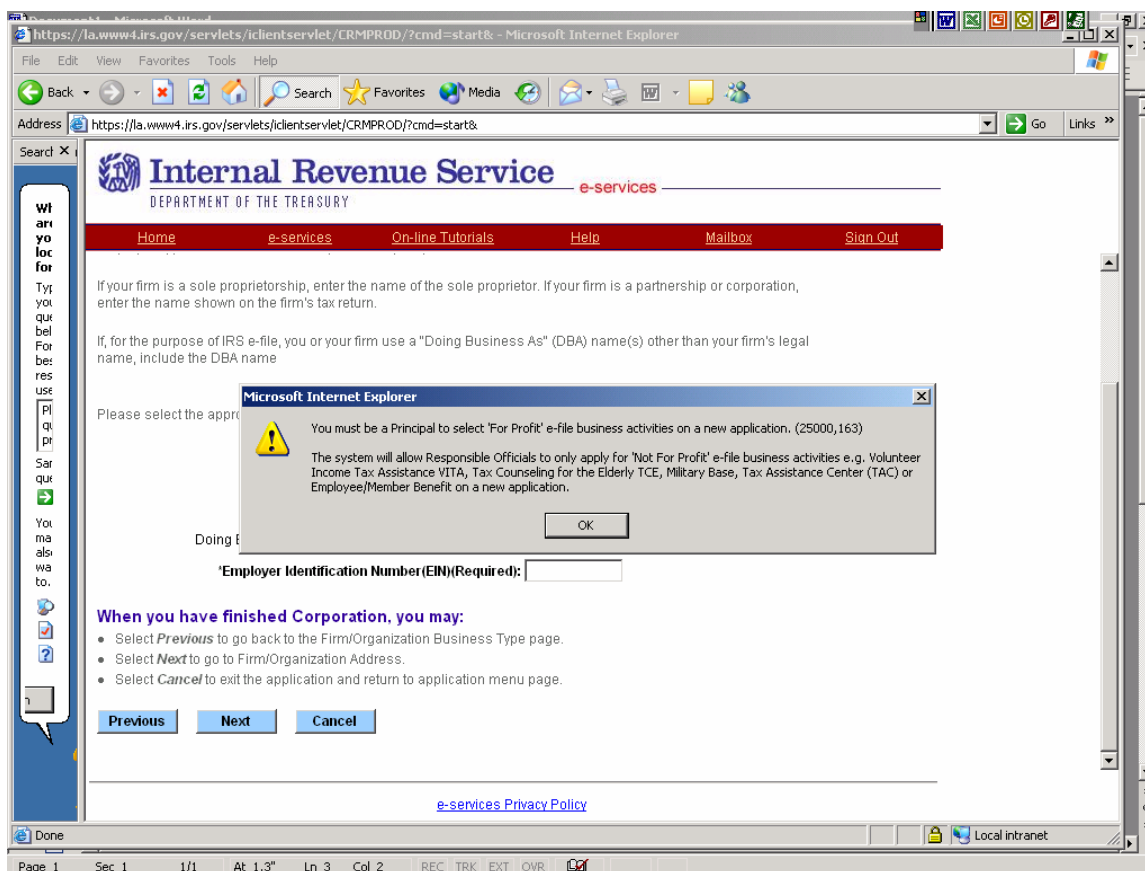
When you have finished Firm/Organization Business Type, you may:

- Select **Next** to go to the Corporation page.
- Select **Cancel** to exit the application and return to application menu page.

[e-services Privacy Policy](#)

Local intranet

Page 1 Sec 1 1/1 At 1.3" Ln 3 Col 1 REC TRK EXT OVR



Responsible Officials are allowed to apply for “Not For Profit” business activities so you only need to select a Responsible Official. Click OK and go to the next page and enter data.

https://la.www4.irs.gov/servlets/iclientervlet/CRMPROD/?cmd=start& - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Search Favorites Media Mailbox Sign Out

Address https://la.www4.irs.gov/servlets/iclientervlet/CRMPROD/?cmd=start& Go Links

Internal Revenue Service e-services
DEPARTMENT OF THE TREASURY

Home e-services On-line Tutorials Help Mailbox Sign Out

e-services > e-services > Application > APP Menu > e-file Application

e-file Application: Corporation

If your firm is a partnership or a corporation, provide the firm's Employer Identification Number (EIN). If your Firm is a sole proprietorship, with employees, provide the business Employer Identification Number (EIN) . If you do not have employees, provide the Social Security Number (SSN).

If your firm is a sole proprietorship, enter the name of the sole proprietor. If your firm is a partnership or corporation, enter the name shown on the firm's tax return.

If, for the purpose of IRS e-file, you or your firm use a "Doing Business As" (DBA) name(s) other than your firm's legal name, include the DBA name

Please select the appropriate role as a Principal or a Responsible Official for this firm/organization.

'Firm/Organization Role(Required):

'Firm/Organization Legal Name (Required):

Doing Business As (DBA) (if other than Legal Name):

'Employer Identification Number(EIN)(Required):

When you have finished Corporation, you may:

- Select *Previous* to go back to the Firm/Organization Business Type page.
- Select *Next* to go to Firm/Organization Address

[e-services Privacy Policy](#)

Local intranet

Your application requires a Responsible Official. Select Responsible Official and then complete the other information on this screen.

Internal Revenue Service
DEPARTMENT OF THE TREASURY

e-services

Home e-services On-line Tutorials Help Mailbox Sign Out

e-file Application : Firm/Organization Address

Name: TestVITA Employer Identification Number: [REDACTED]

Please enter the address of the physical location of the firm. A Post Office (P.O.) box will not be accepted for your firm. You may also enter an alternate Mailing Address **if different** than your Physical Address. P.O. box on your Mailing Address if applicable. The 'Required' fields must be completed if you are entering a Mailing Address. You must provide a **year-round** mailing address.

Physical Address (Required)

'Country (Required): United States

'Address 1 (Required): 5000 Ellin Road

Address 2: [REDACTED]

Address 3: [REDACTED]

'City (Required): Lanham

'State (Required): Maryland

'Postal (Required): 20706

Business Phone & Fax Number

'Country Code (Required): 001

'Telephone (Required): 202/283-7877

Fax Country Code: [REDACTED]

Fax Number: [REDACTED]

Is your mailing address different than your physical address? ☐ Yes ☒ No

If yes, provide a mailing address.

You should enter the full address, telephone number and fax number of the physical location of your corporate office where your tax preparation is being completed. No PO Box numbers should be entered.

The code is always 001.

A mailing address may also be entered if your mailing address is different than the physical address you listed above. A PO Box can be used in the mailing address.

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e-file Application : Application Contact(s)

Name: TestVITA Employer Identification Number(EIN):

Please enter a Primary Contact who will be available on a daily basis to answer IRS questions regarding this application and any processing issues throughout the year. A Primary Contact is required for all applications. You may also enter an Alternate Contact who the IRS may talk to if the Primary Contact is unavailable.

Primary Contact (Required)

'First Name (Required): John
Middle Initial:
'Last Name (Required): doe
Name Suffix:
Salutation:
Title:
'Country Code (Required): 001
'Phone Number (Required): 202/283-7877 Extension:
Fax Country Code:
Fax Number:
Optional Email Address:

Alternate Contact

'First Name (Required):
Middle Initial:
'Last Name (Required):
Name Suffix:

You should enter a primary and alternate contact name, phone number and fax number (if applicable) of a person who will be available to answer questions from IRS concerning your e-filed returns during the processing year.

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Any letters that are sent to your corporation in regard to your IRS *e-file* Application will be addressed to the person whom you list as the Primary Contact.

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e-file Application : Program(s) Applying For

Name: Test VITA Employer Identification Number(EIN):

You are required to declare all the business activities that will be performed with *electronic filing*. Please use this page to declare all the business activities by making appropriate entries and selections below. You may declare multiple business activities by selecting the *Add* button as needed.

Business Activity

Provider Option (Required):
For Profit or Not For Profit Business Activity (Required):

- Select *Add* to add a provider option.
- Select *Clear* to clear the form.

Add Clear

Electronic Return Originator
Intermediate Service Provider
Large Taxpayer
Online Filer
Reporting Agent
Software Developer
Transmitter

Select Large Taxpayer as your Provider Option.

When you have finished Program(s) Applying For, you may do any of the following:

- Select *Previous* to go back to the Application Contact(s) page.
- Select *Next* to go to the Responsible Official(s) page.

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Done

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e-file Application : Program(s) A

Name: DAVIS HATTON MORRIS HECK CORP Employer Identification Number(EIN):

You are required to declare all the business activities that will be performed with electronic filing. Please use this page to declare your business activities by making appropriate entries and selections below. You may declare multiple business activities. Click the **Add** button as needed.

Business Activity

*Provider Option (Required): Large Taxpayer

*For Profit or Not For Profit Business Activity (Required): Not For Profit

*Type of Business Activity:

- Employee Benefit Program
- Military Base
- Tax Assistance Center
- Tax Counseling for Elderly
- Volunteer Income Tax Assist

• Select **Add** to add a provider option.
• Select **Clear** to clear the form.

Add **Clear**

You can select any of the following actions from the table below:

- Select **Edit** to edit provider option entries. (The editable entries will appear in the section above.)
- Select **Delete** to delete a provider option.

Provider Option	For Profit	Business Activity	Status	Re-apply	Edit	Delete
Electronic Return Originator	Not For Profit	Employee Benefit Program	Dropped	Re-apply	Edit	Delete

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Your business activity as a Large Taxpayer is always "Not For Profit" since you are not preparing tax returns for profit.

Select "Employee Benefit Program" as your Type of Business Activity.

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e-file Application : Form(s)

Name: DAVIS HATTON MORRIS HECK CORP

You are required to select the return form type you are planning to e-file.
You must select at least one form type for each provider type.

Provider Option (Required): Large Taxpayer

For Profit (Required): Not For Profit

Return Form Type (Required): 1120 - U.S. Corporation Income Tax Return

Transmission Method Format (One or More Required):

Description:

☐ Dial-up/Direct

☐ Internet

• Select Add to add an e-file form.
• Select Clear to clear the form.

Add Clear

You can select any of the following actions from the table below:

- Select Edit to edit e-File form entries. (The editable entries will appear in the section below.)
- Select Delete to delete an e-File form.

Provider	Form	Transmission Method

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The information in the top 3 boxes should reflect the items shown.

One or both of these boxes must be checked. If your tax return will be transmitted through our Electronic Management System (EMS), you should check "Dial-up/Direct". If your tax return will be transmitted through the Internet, you should check "Internet".

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e-file Application : Responsible Official(s)

Name: Test VITA

Employer Identification Number (EIN):

The responsible official is the individual with responsibility for and authority over the operations at designated sites. The responsible official is the first point of contact with the IRS, has the authority to sign revised applications, and is responsible for ensuring that all requirements of the IRS e-file program are adhered to. A responsible official may be responsible for more than one office.

First Name (Required):

Middle Initial:

Last Name (Required):

Name Suffix:

Position Title (Required):

U.S. Citizen (Required):

Social Security Number (Required):

Date of Birth (Required):

Optional Email Address:

• Select Add to add a responsible official.
• Select Clear to clear the form.

Add Clear

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Complete all the required information regarding your Responsible Official(s). Social Security Numbers are required for all Responsible Officials and Delegated Users in e-file.

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Note: A Responsible Official is defined as:

- An individual with responsibility for and authority over your e-file operation.
- An individual who is the first point of contact with the IRS and has the authority to sign revised IRS e-file Applications,
- An individual who is responsible for ensuring that your corporation adheres to the provisions of all publications and notices governing IRS *e-file*. (If one individual cannot fulfill these responsibilities, additional Responsible Officials may be identified.)
- To be a Responsible Official, an individual must be a U.S. citizen or legal resident alien (lawful permanent resident), and have attained the age of 21 as of the date of the application.

The screenshot shows a web browser window with the URL <https://la.www4.irs.gov/servlets/iclientervlet/CRMPROD/?cmd=start&>. The page is titled "Internal Revenue Service" and "e-services". A navigation bar includes links for Home, e-services, On-line Tutorials, Help, Mailbox, and Sign Out. The breadcrumb trail is: e-services > e-services > Application > APP Menu > e-file Application.

The main heading is "e-file Application : Delegated User(s)". Below this, there is a form for adding a delegated user. The form includes fields for Name (First Name, Middle Initial, Last Name, Name Suffix, Title), Social Security Number, and Optional Email Address. There are "Add" and "Clear" buttons at the bottom of the form. A speech bubble points to the form with the text: "A Responsible Official can delegate authorities to other users such as to edit application information and be an Internet Transmitter. Once you are granted any of the incentive e-Services, you can delegate someone who has the authority to perform those duties for your corporation."

At the bottom of the page, there is a link for "e-services Privacy Policy". The taskbar at the bottom shows the Start button, Microsoft Outlook, and several open applications including "IRM_AUG2004Keith8...", "RUP cust screen shot...", "Document1 - Microsof...", and "Internet Explorer". The system clock shows 2:52 PM.

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e-file Application: Application Submission & Completion

Name: Test VITA Employer Identification Number (EIN):

You have completed the application process and all required information has been entered you are now able to submit this application for review and approval by the IRS.

This firm and employees will comply with all of the provisions of the Revenue Procedure for Electronic Filing of Individual Income Tax Returns and Business Tax Returns, and related publications, for each year of our participation. Acceptance for participation is not transferable. I understand that if this firm is sold or its organizational structure changes, a new application must be filed. I further understand that noncompliance will result in the firms and/or the individuals listed on this application, being suspended from participation in the IRS e-file program. I am authorized to make and sign this statement on behalf of the firm.

Please enter your PIN to accept the terms for this application. Your PIN is your electronic signature that you have selected when you registered.

PIN (Required):

When you have finished Application

- Select *Previous* to go back to the Personal Information screen.
- Select *Submit* to submit this application.
- Select *Cancel* to exit the application and return to the Home page.

Your Personal Identification Number (PIN) that you selected in the e-Services Registration process is required to sign your application. A PIN must be exactly 5 numeric digits (0-9).

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After you sign and submit your application, you will get a screen that states that the submission of your application is complete. It will give you information about the processing of your application and will give you a Tracking Number at the bottom of the page. Be sure to print that page or at least write down the Tracking Number so you will have it if you need to follow up on the status of your application with the e-Help Desk.